



SAN LUIS OBISPO COUNTY  
**DEPARTMENT OF PUBLIC WORKS**

Paavo Ogren, Director

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May 31, 2012

**VIA FAX (805) 343-6151 AND  
CERTIFIED MAIL  
RETURN RECIEPT REQUESTED**

Mr. Mike Budd  
UNKS Construction, Inc.  
874 Guadalupe Street  
Guadalupe, CA 93434

**Subject: Intent to Reject Bid for Los Osos Wastewater Project, Collection  
System Areas A & D, Contract No. 300448.08.01.AD**

Dear Mr. Budd:

The County Public Works Department has reviewed the bids opened on Thursday, May 17, 2012, for the above referenced project. The purpose of this letter is to inform you of the Public Works Department's intent to recommend that the County Board of Supervisors reject your bid on the grounds of non-responsiveness, based on the irregularities in the bid documents described below. The matter has been tentatively scheduled to be considered by the Board of Supervisors at their regular public meeting on Tuesday, June 19, 2012.

The San Luis Obispo County Department of Public Works ("Public Works") has evaluated the bid submitted by UNKS Construction, Inc. ("UNKS") and has identified the following irregularities:

1. Bid Form, Section 00410. Paragraph 13.02 of Section 00200 states: "All blanks on the Bid Form shall be completed in ink and the Bid signed in ink. Erasures or alterations shall be initialed in ink by the person signing the Bid Form. A Bid price shall be indicated for each Bid Item listed therein." Paragraph 14.01.A of Section 00200 states: "Bidders shall submit a Bid for each unit basis item of work a unit price and a total for the item, or for each lump sum item a total for the item for each item of Work listed in the Bid schedule." UNKS did not submit a bid unit price or bid price for Item No. 24, Miscellaneous Concrete, on the Bid Schedule (page 00410-5). Not providing a bid unit price or bid price on Item No. 24 has been identified by Public Works as an irregularity with the bid submitted by UNKS.




2. Good Faith Effort Documentation Summary Form, Section 00490. In accordance with Paragraph 7.01 of Section 00410, Bid Form, the Section 00490 Good Faith Effort Documentation Summary Form ("GFE Form") is a condition of the Bid and was required to be signed and submitted with the Bid. UNKS did not complete Sections 1, 6, or 7 of the GFE Form and did not sign the GFE Form. Not completing or signing the GFE Form has been identified by Public Works as an irregularity with the Bid submitted by UNKS.
3. Bid Bond, Section 00430. In accordance with Paragraph 8.01 of Section 00200 "Instructions to Bidders," a bid must be accompanied by bid security in the form of a certified check or bank money order or a bid bond (Section 00430) issued by a surety meeting the requirements of Paragraphs 5.01 and 5.02 of Section 00700 "General Conditions." In accordance with Paragraph 5.01.B of Section 00700, "All bonds shall be executed by a California 'admitted surety insurer,' as defined in California Code of Civil Procedure Section 995.120 and listed by the California Insurance Commissioner pursuant to Insurance Code Section 12070. Bonds issued by a California admitted surety listed in the latest versions of the U.S. Department of Treasury Circular 570 shall be deemed to be accepted unless specifically rejected by Owner." In accordance with Paragraph 5.02.A of Section 00700, "All bonds and insurance required by the Contract Documents to be purchased and maintained by Owner or Contractor shall be obtained from surety or insurance companies that are duly licensed or authorized in the jurisdiction in which the Project is located to issue bonds or insurance policies for the limits and coverages so required." The bid bond submitted with the bid was obtained from OIC Marianas Insurance Corporation ("OIC"). OIC is not an insurer authorized to do business in California, is not listed in the current version of U.S. Department of the Treasury's Listing of Certified Companies updated 5/14/2012, and is not listed by California Insurance Commissioner as an "admitted surety insurer." The bid bond was not obtained by a surety company meeting the requirements of paragraphs 5.01 and 5.02 of Section 00700, and Public Works has therefore identified this as an irregularity with the bid submitted by UNKS.

Based on the requirements of the Contract Documents and in accordance with the discussion above, the Public Works Department has determined that the identified irregularities render your bid proposal non-responsive. Therefore, the Public Works Department will recommend to the Board of Supervisors that your bid be rejected as non-responsive, and that consideration be given to the next lowest bidder, ARB, Inc.

As mentioned above, the matter has been tentatively scheduled to be considered by the Board of Supervisors at their regular public meeting on Tuesday, June 19, 2012. Should you desire to do so, you may respond to this notice with any facts or documentation which you consider to be contrary or inconsistent with the above findings and recommendation. Please respond to the undersigned in writing at the address below or via fax (805) 781-1229 by the close of business Wednesday, June 6, 2012.

Attachment B - Letter to UNKS of Intent to Reject Bid

Sincerely,



JEFF B. WERST  
Design Engineer  
County Public Works Department  
Room 207  
County Government Center  
San Luis Obispo, CA 93408

c: Pat Foran, Deputy County Counsel  
Paavo Ogren, Public Works Director  
Dave Flynn, Deputy Public Works Director  
John Waddell, Los Osos Wastewater Project Manager  
Earl Eldridge, ARB, Inc.

File: 300448.08.01.AD

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